

Toyota Civil Judicial Settlement

Fact Sheet

Violations: The United States determined that Toyota sold 2.2 million 1996-1998 vehicles that were different from those described in Toyota's application for a Certificate of Conformity, which allow for vehicles to be legally sold if they meet federal emission standards. On that basis, the United States charged in U.S. District Court for the District of Columbia that the affected vehicles were sold without the required certification, in violation of Section 203 of the Clean Air Act.

On-Board Diagnostic System: Since 1996, EPA regulations require car and light truck manufacturers to equip vehicles with On Board Diagnostic (OBD) systems to alert drivers and technicians of malfunctions in emissions systems. One system the OBD checks is the evaporative emission control system, which captures evaporated fuel and conveys the vapor to the engine for combustion. This is called the OBD evaporative leak check. If a leak occurs in the evaporative emission control system, a properly operating OBD detects the leak, and illuminates the Malfunction Indicator Light on the vehicle's dashboard to warn the vehicle owner to take the vehicle in for service. A mechanic is able to link to the OBD computer to identify the problem as a faulty evaporative emission control system, and make repairs. A leak in the evaporative emission control system results in emission of up to 30 grams per day per vehicle of raw hydrocarbons.

Manufacturers must describe their On Board Diagnostic system as part of the application for a Certificate of Conformity with standards under the Clean Air Act. In addition, manufacturers must notify EPA when substantial numbers of defects occur in a vehicle's emissions control system.

How the Violations Were Discovered: Random testing conducted by the State of California indicated that Toyota's OBD leak check did not work as expected. As a result, it was discovered that Toyota had not disclosed in its certificate application a number of conditions that limited the OBD system's performance.

Environmental Benefits of Enforcement Action:

- The extended warranty will prevent emission of an estimated 30 tons of hydrocarbons.
- The diesel retrofit supplemental environmental project is estimated to prevent up to 1,200 tons of hydrocarbon emissions, 220 tons of particulate matter emissions, and 15,000 tons of carbon monoxide emissions.

Settlement Terms:

Injunctive Relief: Extended Warranty: Toyota will extend the existing emissions warranty of the evaporative emission control system to 14 years or 150,000 miles, whichever comes first. The current warranty is two years or 24,000 miles, whichever comes first. Under the warranty owners with a leak in the evaporative emission control system during the warranty period can have it fixed by Toyota without cost. Accident, abuse, or failure to replace the fuel cap, or fuel cap gasket when specified, are not covered.

A leak may be indicated by the OBD system dashboard light, or by the smell of gasoline.

Note: both the dashboard light, or smell of gasoline can have other causes. Only 3-5 percent of vehicles are expected to develop leaks from causes other than accident. Most of these leaks will occur near the end of the vehicle's lifetime.

Covered vehicles generally include:

Model	Year *
Camry (4 cylinder)	1996-1998
Camry (6 cylinder)	1997-1998
Corolla	1998
ES300/Avalon	1996-1998
GS300/SC300	1998
GS400	1998
LS400/SC400	1996-1998
RAV4	1996-1998
Sienna	1998
Supra	1998
T100	1997-1998
Tacoma/4Runner	1996-1998
Tercel/Paseo	1997-1998

* Only vehicles built through approximately March 1998 are included in 1998 vehicles. Certain variants of specified vehicles not included in listed years.

Injunctive Relief: Early Compliance: Toyota will comply with a new standard to control evaporative emissions about a year early by phasing in compliant vehicles in model years 2004 to 2006. Over 1.4 million Toyota vehicles will comply early. The main result will be increased durability of the evaporative control system of the vehicles.

Supplemental Environmental Project: Retrofitting diesel vehicles: Toyota will spend \$20 million to retrofit high emitting municipal diesel vehicles, including school buses, with pollution control equipment to reduce emissions of particulates and nitrous oxides. Up to 3,000 vehicles may be retrofitted with equipment including catalysts, filters or new engines.

Toyota may also subsidize purchase of ultralow sulfur diesel fuel that some retrofitted vehicles require but which presently costs more than regular diesel fuel.

Interested municipalities and school districts must apply directly to Toyota, which will select participants consistent with criteria set forth in the Consent Decree. One prime criterion is geographic diversity.

Civil Penalty: Toyota will pay a civil penalty of \$500,000 to the U.S. Treasury.

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